

## City Council Minutes

August 12, 2002

The Council of the City of Milton-Freewater met in regular session on Monday, August 12, 2002 at 7:00 p.m. in the council chambers of City Hall.

The following members were present: Mayor Lewis Key, Councilors Saager, Lyon, Kelley, Woods and Humbert. Staff members present were City Manager Delphine Palmer, Assistant City Manager Linda Hall, Finance Director Dave Richmond, Police Chief Mike Gallaher, Electric Superintendent Mike Charlo, Public Works Superintendent Howard Moss and City Planner Gina Hartzheim.

Citizens present were Merle Sherman, Don Wiggins, Curtis Walter, Mary Clark, Patty Key, Steve Irving, Orlin Hansen, Pam Beal, Charlie Good, Jeannie Kunda, Abelardo Arcpo and others.

Representing the press were Jeff Durham of the Blue Mountain Pioneer and Jeannie Kunda of the East Oregonian.

Umatilla County Commissioner Dennis Doherty addressed Council reporting that there were four projects the county is working on that affects the City of Milton-Freewater. Vice Chair Hansell and Hugh Johnson, County Economic Development came along with Mr. Doherty. Commissioner Doherty wanted to discuss four issues. 1) The Enterprise Zone discussion is not dead yet. The county spent about \$15,000 through the effort hiring two consultants. The final cut was not accomplished, but now that the Tribes have a reservation enterprise zone, the county is reassured that the county-wide enterprise zone may actually take place. 2) The Toman Wind Project was alive but struggling. Partnerships here in the City of Milton-Freewater may benefit from this project and leadership from Japan visited to discuss what could be done to finish this project. 3) Umatilla County is involved in the Walla Walla Basin Bi-State Habitat Plan. This plan will merge with the Bonneville Power Administration's sponsored project through Northwest Power Planning Council. This sub-basin plan is for all of the tributaries of the Columbia River. The whole basin will get a piece of this action as well as the Bi-State effort regarding the two endangered species listings. 4) Bob Webb's project discussing whether or not there is an opportunity to extend the water and wastewater infrastructure along north Highway 11. The county is willing to engage in this discussion again and Mr. Doherty reported that to his knowledge, there were three studies already done on this project. The project concentrates on the commercial and industrial zoning in the corridor out there, but didn't think that it would extend to the orchard areas.

Mr. Doherty then introduced our County's Economic Developer Hughlette Johnson. Mr. Johnson stated he was in direct contact with Salem to learn of businesses desiring to locate in Oregon, particularly in Eastern Oregon. Mr. Johnson says he is always mindful of Milton-Freewater for new businesses. Mr. Johnson reported there was a business requiring a square mile of water and was unable to find that particular commodity in Milton-Freewater so had to let that one go! However, Mr. Johnson is working on projects with CDP (Community Development Partnership) along with

Martin Davis.

Chairperson Hansell spoke about the National Association of Counties and the lobbying efforts in Washington D.C. Mr. Hansell stated he felt strongly this is a huge victory for Umatilla County and the Northeast region of Oregon to be one of the 3000 plus counties represented in congress. Mr. Hansell also explained that more than 40% of the county's revenue comes from federal and state funds, but that even some of the state funds are merely federal monies passed through the state.

Consent Calendar Items:

Councilor Kelley moved to adopt the consent calendar containing the July 22, 2002 minutes and adopting Resolution No. 1900 Authorizing Signature to Auditing Agreement with LeMaster and Daniels, PLLC. Councilor Woods seconded the motion which passed unanimously.

Mayor Key announced to the audience that this was the opportunity for citizens to approach the council with concerns not on the agenda.

Jean Ephlin, 1216 N. Elizabeth, thanked the police department for their effort to decrease speeding on his street. He said, "They're catching some small fish, but there's still some big ole lunkers down there."

PUBLIC HEARING and ORDINANCE NO. 908 Vacating a portion of Russell Street.

Because of a personal interest, Mayor Lewis Key turned the hearing over to Council President Herb Saager.

Before the hearing began, Councilor Saager turned some time over to City Manager Delphine Palmer. Ms. Palmer expressed to council and to citizens how much work went into researching department projects and concerns before fact sheets were presented to council for them to take action. Ms. Palmer also reported to council and citizens the process of research stating that 1) determination of whether or not the item is part of the goals set by council, 2) codes and laws are then researched, 3) staff time and costs are calculated, 4) determine if item is included in current budget, 5) determine if project is in best interest of the majority of Milton-Freewater's citizens. Employees, Department Heads, Management and sometimes the attorney all take these steps before recommending that the council take action on a particular project or any proposal. Ms. Palmer reiterates the fact that staff spends a great deal of time looking at many issues to support any recommendation to council. For this particular vacation proposal, Ms. Palmer stated the city could not require that Paul Seaquist, applicant, put in a sidewalk because it's not listed on the sidewalk master plan, but there are options. If Mr. Seaquist would put in the sidewalk at a cost of approximately \$5,000 the URA (Urban Renewal Agency) will be able to pay for the relocation of the pole.

Councilor Saager opened and summarized the rules for public hearing.

No Ex Parte contact was declared.

Councilor Saager asked if notice of hearing had been published according to law.

Assistant City Manager Linda Hall stated that this had been done. Councilor Saager asked if there had been any written comments. Ms. Hall replied that there were none.

Gina Hartzheim gave the staff report stating there would be no changes on the land; there won't be any changes in the paving or curbing. Ms. Hartzheim also stated as per regulations that there have not been any communication in opposition of this vacation from any of the other utilities, which would include cable, Quest and Cascade Natural

Gas. The drawing submitted shows the location of the power pole and also the location of a proposed new pole location that would assist in the removal of an anchor that may be in conflict with a new building placement that applicant is proposing. Both poles would be located outside the vacation area and would not be in conflict with the area that is proposed to be vacated. The area that would remain would be sufficient to match with the existing sidewalk that Horizon Project did install in their project. At the time that Horizon Project rebuilt their facility, they were not on the Sidewalk Master Plan. Since we cannot require a sidewalk, the recommendation would be to vacate because there is no need for utilities or right-of-ways at this time. Paul Seaquist, applicant for vacation, said the attempt is to provide an upgrade to the Russell Street area and will look identical to the mini-storage across the street and will be a viable business to this area.

Councilor Saager asked for those to come forward in support of the proposal. There were none.

Councilor Saager asked for those to come forward in opposition of the proposal. There were none.

Councilor Brad Humbert asked Paul Seaquist, applicant, if he would be willing to forgo the landscaping and construct a sidewalk for the many handicap citizens that are in this area. Paul Seaquist expressed his concerns and City Manager Delphine Palmer stated her concerns were to use unbudgeted city funds to remove the pole, but that URA (Urban Renewal Agency) did have funds to aid with the pole removal if Mr. Seaquist would be willing to put in the sidewalk, which would be about the same monies. Councilor Saager stated he would like to see URA monies along with Paul Seaquist's efforts to put in the sidewalk there due to increased foot traffic, especially amongst our physically challenged citizens. Councilor Woods concurred. Ms. Palmer passed around to the council and citizens photos of the existing property and a sketch of the proposed landscaping stating the property would be enhanced by beautification. Mr. Seaquist then asked Public Works Superintendent Howard Moss about code requirements for materials used in the sidewalk. Mary Clark, 604 N. Main, stated that the Planning Commission had proposed a beautification package for the city, but that this package has not been passed. However, if the city planners want to go this direction, this particular project should have the qualities in mind to continue. Mary said specifically, "It would be nice to start it off with a green tree." Councilor Humbert answered Ms. Clark saying that in this particular proposal, there is not room for both landscaping and a sidewalk, but feels the sidewalk in this area is more important. Ms. Clark agreed.

Councilor Saager declared the hearing to be closed.

Councilor Humbert motioned Ordinance No. 908 be introduced by title only and full reading waived. Councilor Kelley seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, yea, Councilor Woods, yea, Councilor Humbert, yea and Councilor Kelley yea. City Manager Delphine Palmer then read the ordinance by title only. Councilor Kelley moved to have Ordinance No. 908 read by title only and full reading waived. Councilor Humbert seconded and the motion carried unanimously. The City Manager read the ordinance by title. Councilor Kelley moved to adopt Ordinance No. 908, Councilor Humbert seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, yea, Councilor Humbert, yea, Councilor

Woods, yea, and Councilor Kelley, yea.

PUBLIC HEARING Regarding Close Out of Community Development Block Grant Phase II of the Sewer Treatment Plant Upgrade. Public Works Superintendent Howard Moss reported to council and citizens the background information regarding this hearing stating that the City received a \$750,000 grant for Phase II of the Sewer Treatment Plant and farm operations upgrade. We've posted this hearing as required by law and Mr. Moss reported there were no responses in his office.

Mayor Lewis Key opened and summarized the rules for public hearing.

No Ex Parte contact was declared.

Mayor Lewis Key asked if notice of hearing had been published according to law.

Assistant City Manager Linda Hall stated that this had been done. Mayor Key asked if there had been any written comments. Ms. Hall replied that there were none.

Mayor Lewis Key invited citizens to contribute to the hearing. None spoke.

Mayor Lewis Key declared the hearing closed.

CONSIDERATION of Police Department Vehicle Take Home Policy. Police Chief Mike Gallaher stated the actual policy itself is a sound policy, stating that in the policy maintenance will be met by the standards required. The General Operating Manual is very thorough policy of maintenance of vehicles. In Chapter 9 of the General Operating Manual discipline measures are outlined for non-compliance with the maintenance agreement.

Councilor Woods questioned Section 1 Item 4 which states that all weapons will be properly secured and Councilor Woods assumed that the shotgun would be taken out at night. Police Chief Mike Gallaher responded saying the few vehicles that have shotguns in have a locking system and would require a cutting torch to remove the shotgun. Councilor Woods clarified his question as to what it meant to secure the weapon in the home. Chief Gallaher said it meant that a person not responsible to use the weapon could not have any access to the weapon.

Councilor Humbert moved to approve the Police Department Vehicle Take Home Policy. Councilor Woods seconded which passed unanimously.

APPROVAL of Firefighter Policy and Procedure Manual and Job Descriptions. Fire Chief Faron Reynolds stated the policy was written after a great deal of discussion with the City Manager. Councilor Lyon asked if the Assistant Chief and Captain within the Fire Department were voluntary positions. Chief Reynolds concurred.

Councilor Lyon moved to approve the Firefighting Policy. Councilor Saager seconded the motion which was approved unanimously.

RESOLUTION No. 1901 Opposing Proposed Changes to the Northwest Electricity System. Electric Superintendent Mike Charlo clarified the meaning of this resolution stating that this would formally voice Milton-Freewater's opposition to some of the issues going on in the region and would be joining in with a great majority of other public utilities in the northwest by signing this. The City is a member of a new organization called Northwest Power Works which is an organization of large and small public utilities across the northwest that are in opposition to some of the issues the Federal Energy Regulatory Commission has started mandating just recently. Two issues, 1) RTO (Regional Transmission Organization) and 2) Standard Market Design, a 600-page document that entities are studying and getting ready to voice their opposition after a 75-day period. Mr. Charlo further stated that right now power is

cost plus overhead to get power to you. The new guidelines suggest that the cost is whatever the market will bear. This is the pattern in California and we do not want to see this pattern here in the northwest. The RTO would form another governmental agency with an appointed board, creating another layer of management that doesn't need to happen. Bonneville's board has utility members advising them. Large amounts of dollars would be used in start-up costs as well as continuing operating costs. If this resolution is passed and signed, it goes to Northwest Power Works where it is passed onto Bonneville Power Administration and the voice of opposition will be heard. At a meeting in Tri-Cities, 100% of the utilities in attendance were against the forming of this organization and reprimanded BPA for their involvement. When Mr. Charlo asked a member of BPA what he thought of the events at the meeting, he stated he was not surprised, but also feels that the formation of RTO is inevitable. This resolution is an effort to sway Bonneville and to show that public utilities are not in favor of this at all.

Councilor Woods asked who was in favor of RTO and what was the benefits? Mr. Charlo said that utility investors, ENRON and large private utilities are looking to RTO as another revenue source.

Discussion ensued.

Councilor Saager moved to adopt Resolution No. 1901 Opposing Proposed changes to the Northwest Electricity System. Councilor Kelley seconded which passed unanimously.

ORDINANCE NO. 909 Amending City Code Chapter 5 of Title 5 Regarding Water Mains.

Public Works Superintendent Howard Moss said that in the Fall of 1998 the City replaced a very old water main from Marie Dorion Park to a point on S. Main and SE 18<sup>th</sup>. Mr. Moss directed that the new main should be no more than five feet from the existing as the old easements read that new pipelines shall be "as near as" and "being adjacent to" the old pipeline. As a subsequent survey showed the line ended up sixteen feet from the old line along a portion of property now owned by Greg Rhodes. Mr. Rhodes had his property surveyed and the results clearly showed the new water main was well within his property. Mr. Rhodes is proposing that for consideration of granting a new easement, the City provide a water service or services for the development of one home and shop on the property at the City's cost of about \$400 plus system development fees of \$285. Greg is not proposing to be provided any free water, and if approved he would become a regular customer of the City. Mr. Moss stated that there were about 25 water services outside the city limits, but the code now does not allow any additional services outside the city limits. Mr. Moss stated that he felt the best solution to a relatively small issue would be for Mr. Rhodes to grant an easement and for the City to grant water service thereby recommending to amend Ordinance 5-5-12, Sub Part A, Ordinance No. 305 to allow new services outside the City Limits upon presentation of findings appropriate for the benefit of the City as determined by the City Council.

Councilor Woods asked why the City is so opposed to delivering water to outside city limit properties. Mr. Moss reported that historically, water was in short supply and those outside the city limits paid double for their water.

Councilor Woods then asked if there was enough water for additional customers. Mr. Moss stated there was a lot of capacity for the City's water to grow.

Councilor Kelley stated that on non-city residents the City is still bearing the cost, that the non-city resident is only paying for a service, but the City is paying for the infrastructure and maintenance, so annexation may be a key element to ensure that water and sewer are both provided.

Councilor Lyons asked Greg Rhodes in the audience if this proposal was suitable to him and Mr. Rhodes said that it definitely was.

Councilor Saager motioned Ordinance No. 909 be introduced by title only and full reading waived. Councilor Kelley seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, yea, Councilor Woods, yea, Councilor Humbert, yea and Councilor Kelley yea. City Manager Delphine Palmer then read the ordinance by title only. Councilor Kelley moved to have Ordinance No. 909 read by title only and full reading waived. Councilor Saager seconded and the motion carried unanimously. The City Manager read the ordinance by title. Councilor Kelley moved to adopt Ordinance No. 909, Councilor Lyon seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, yea, Councilor Humbert, yea, Councilor Woods, yea, and Councilor Kelley, yea.

ORDINANCE NO. 910 Establishing a Transient Room Tax. Assistant City Manager Linda Hall gave the staff report stating that one of Council's 2002-2003 goals was to work for and obtain financial stability with local government. The City maintains a high level of services available to its constituents at one of the lowest property tax rates in the state of Oregon, if not the nation. While finding ways to comply and make Council's goal of financial stability become a reality, staff has worked hard exploring alternate revenues as well as exploring costs. One idea was a Transient Room Tax which is also referred to as a hotel-motel tax in many cities and is now before you. All other neighboring communities have had this tax as part of their coffers. The City of Walla Walla assesses 10% tax, the City of Pendleton is in the process of raising their tax base from 7% to 9%, and what we are proposing is a Transient Room Tax at 7%. This tax would not cost the citizens of our community any added tax and the owners of the affected businesses subject to the tax would retain 5% of the proceeds to recover administration costs. The tax would only apply to visitors staying less than 30 days in the establishment. The idea was first proposed during the budget committee hearings on May 3<sup>rd</sup> and promised to bring it before council for final action. If the proposal is accepted by council, the revenues collected would be added as an item in the general fund to be used for tourism, city promotion and community improvement projects at the discretion of the City Manager and ultimately the City Council and Budget Committee.

Ms. Hall reported to council and citizens that she did receive a letter from the absentee owners of the Morgan Inn stating they are opposed to the tax. Finance Director Dave Richmond went to see Morgan Inn's manager Pam Beal before the proposal went out to council as a matter of courtesy.

Pam Beal, manager of Morgan Inn, addressed council saying that their business had a draw from Walla Walla with clients that do not want to pay the added tax that is charged in Walla Walla. In return, these people utilized the restaurants in our area as well.

Councilor Humbert asked Ms. Beal if they advertised not having a hotel-motel tax. Ms. Beal answered that they do not advertise. Councilor Humbert then asked how people

knew that Morgan Inn doesn't charge a hotel-motel tax. Ms. Beal stated that when clients call they can find out.

Councilor Woods asked Ms. Beal if she felt their room usage would decrease if this tax were to be implemented. Ms. Beal said she felt that their room usage would decrease. Assistant City Manager Linda Hall addressed council and Ms. Beal stating that a portion of the revenues generated from this fund would be used to promote tourism in our community and the hope of this project is to increase the hotel-motel business through economic development. Ms. Beal stated she did not believe this to happen as she already receives a lot of business from the Walla Walla area. Ms. Hall pointed out again that we would still be 3% lower than Walla Walla.

Orlin Hansen, 1305 College Street, previously owned this motel for 24 years. Mr. Hansen also served on the board of directors for the Oregon Lodging Association for 20 years. Mr. Hansen received a letter from the Oregon Lodging Association directed to Milton-Freewater's Council and Mayor. Mr. Hansen read the letter. The letter suggested to council that they do not pass this ordinance. Mr. Hansen then read an article written by the American Economics Group Incorporated which is funded by the American Hotel Association. The study Mr. Hansen reported on said that a 2% increase in the hotel-motel tax would cause a 5.1% reduction in usage. Mr. Hansen pointed out that these studies were national studies and felt that these studies were not included in our city's research.

Linda Hall reported that her research was through the League of Oregon Cities and direct contact with our neighboring communities. Ms. Hall addressed one of the issues addressed in the letter read by Mr. Hansen saying that there are many cities in Oregon that do not have a hotel-motel tax because they do not have any hotels or motels and that even our city only has one major motel. Mr. Hansen said he could get a listing of all hotels and motels in Oregon that do not have a transient room tax. Ms. Hall also pointed out that the letter read by Mr. Hansen said that revenues received through the transient tax should be used for the tourist and hospitality industry which is Milton-Freewater's intent.

Councilor Humbert asked Mr. Hansen for a copy of the letter directed to Milton-Freewater's City Council and our Mayor from the Oregon Lodging Association. Mr. Hansen said that if he paid \$50.00 for the letter he could have a copy.

Charlie Good, 15 Ireland, said that improvements to the City's budget also improves and generates possibilities for restrooms and sports facilities. All of the local sport groups are trying to bring tournaments along with their accompanying revenues to our community. Mr. Good said he did not like tax any more than anyone else, but that the more revenues to fund events to bring others into our community, will indeed increase business revenues.

Mary Clark, 604 N. Main, stated she opposed the tax because it is discriminatory against a small portion of our community. If there were more motels it would be different, but with one motel Ms. Clark did not feel the tax fair. Ms. Clark also stated she thought that revenue from the general fund did not always go towards the proposed project. Ms. Clark suggested that a more fair revenue was with business licenses.

Councilor Saager asked Ms. Clark if she realized that the added cost was not on the shoulder of the business owner. Ms. Clark said she did and that she understands that

the 7% would have to be charged out additionally and not absorbed. Ms. Clark further stated she felt the 5% return for administration was only pennies on the dollar. Councilor Saager stated he was in favor of a business tax, but that he was also in favor of the transient tax as he felt it was a fair tax, that the tax is found nationwide. Councilor Humbert asked Ms. Clark if she would accept an annual business license fee for all those who are within the 97862 zip code and would accept a larger business license fee for those outside the 97862 zip code. Mr. Humbert further said that he has to pay this added business license fee for The Dalles, Hermiston and Pendleton. Ms. Clark said she did not know if that were possible, but would certainly consider the option.

City Manager Delphine Palmer said that there are so many fees that Milton-Freewater does not charge that other cities do charge to generate revenues that aid in the cities growth. On an average of about three times weekly, Ms. Palmer is asked for money and her answer is always that there is not any money budgeted. One of the goals of council is to research possible revenues because our revenues are low.

Councilor Woods asked how the revenues could be tracked after several years. City Manager Delphine Palmer said that parameters had to be set with council approval. Assistant City Manager Linda Hall reiterated that the City is held to strict accounting standards and our Finance Director Dave Richmond will be accounting for that money separately, so that at any given time any member of council or any citizen could request the information specifically about the transient room tax for both revenues and expenditures.

Councilor Humbert stated that before the meeting, he did not feel the transient tax a problem, but that after Mr. Hansen's report and Ms. Clark's comments that perhaps it is too much to ask a few businesses to shoulder. Mr. Humbert continued saying he would not mind paying a business license fee annually to do business in the City of Milton-Freewater.

Mr. Hansen expressed his concern now is that the public will have access to revenue information of the City's local motel and RV parks. Ms. Hall stated that this information would not be itemized, that the information would be on a summary basis. Mr. Hansen was still concerned.

Steve Irving, 826 Jacquelyn, said that Grover's Electric moved to College Place thinking that taxes would not affect them, but their business has declined.

Councilor Kelley motioned Ordinance No. 910 be introduced by title only and full reading waived. Councilor Saager seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, yea, Councilor Woods, yea, Councilor Humbert, yea and Councilor Kelley yea. City Manager Delphine Palmer then read the ordinance by title only. Councilor Kelley moved to have Ordinance No. 910 read by title only and full reading waived. Councilor Saager seconded and the motion carried unanimously. The City Manager read the ordinance by title. Councilor Saager moved to adopt Ordinance No. 910, Councilor Kelley seconded and a roll call vote was taken: Councilor Saager, yea, Councilor Lyon, nay, Councilor Humbert, nay, Councilor Woods, nay, and Councilor Kelley, yea. The motion failed with a 3 to 2 margin.

#### MANAGER'S REPORT

City Manager Delphine Palmer reported to council that if they were going to ride on the fire trucks through the parade on Saturday, that they needed to meet at



Freewater School at 8:30am.

Ms. Palmer then passed around a photograph that Jeff Durham of the Blue Mountain Pioneer took with a double exposure. The picture is the library construction crew and the double exposure is of Ms. Palmer standing above them.

#### COUNCIL ANNOUNCEMENTS

Councilor Lyon was asked by Mr. Jean Ephlin about the progress on Elizabeth Street to reduce speeding. Police Chief Mike Gallaher reported that there had been citations issued.

There being no further business the meeting was adjourned at 9:05 p.m.

Lewis S. Key, Mayor

August 26, 2002

The Council of the City of Milton-Freewater met in regular session on Monday, August 26, 2002 at 7:00 p.m. in the council chambers of City Hall.

The following members were present: Mayor Lewis Key, Councilors Saager, Lyon, Kelley, Woods and Humbert. Staff members present were City Manager Delphine Palmer, Assistant City Manager Linda Hall, Police Chief Mike Gallaher, Electric Superintendent Mike Charlo and Public Works Superintendent Howard Moss.

Citizens present were Curtis Walter, Steve Dalke, Charlie Good, J. David Fine and Don Wiggins.

Representing the press were Jeff Durham of the Blue Mountain Pioneer and Jeanine Koranda of the East Oregonian.

Consent Calendar Items: a) August 12, 2002 council meeting minutes. b) RESOLUTION NO. 1902 Authorizing signature to ODOT Grant Agreement #19763 for public transportation.

Councilor Saager moved to accept both items in the consent calendar. Councilor Humbert seconded and the motion passed unanimously.

Mayor Lewis Key announced to the audience that this was the opportunity for citizens to approach the council with concerns not on the agenda. None approached.

#### NEW BUSINESS:

BID AWARD Fuel and Oil purchases. Public Works Superintendent Howard Moss reported to council stating he had advertised for bids on fuel and oil purchases and accepted sealed bids from the two suppliers in town that can readily supply fuel within a reasonable distance. Both Cockburn Distributing and Pendleton Grain Growers (PGG) have provided fuel for the City previously. Mr. Moss recommends that the low bidder, PGG, be awarded Contract C-171 for the remainder of fiscal year 2002-2003.

Councilor Saager asked if this contract was up for bid more than once yearly. Mr. Moss said no, that after 10 months the City could extend the contract if satisfied with the pricing index.

Councilor Humbert asked if the City would receive the same quality fuel and oil that Cockburn had in the past. Mr. Moss said that the City had questioned the blend of both vendors during Winter.

Councilor Lyon asked if the price was just a percent or cents per gallon above the national average. Mr. Moss stated that in this particular bid, Cockburn Distributing bid \$0.07 above the national average and PGG bid the exact national average.

Councilor Kelley stated her understanding as to why the bid was being advertised now

was to draw everything together fiscally. Mr. Moss stated that Ms. Kelley was correct, that Public Works was trying to draw all their contracts to a standard fiscal year. Councilor Debbie Kelley motioned to award Contract No. C-171 to PGG in the estimated annual amount of \$40,000.00. Councilor Orrin Lyon seconded the motion which passed unanimously.

BID AWARD Water Main Materials. Public Works Superintendent Howard Moss stated he had accepted sealed bids for water main materials. Mr. Moss recommended the bid be awarded to Hughes Water Supply for the low bid of \$15,449.12.

Councilor Woods asked if the proposals were equal in materials. Mr. Moss stated that they were, that each bid was on the same quantities of material.

Councilor Humbert motioned to award Contract 172 to the low bidder, Hughes Water Supply in the amount of \$15,449.12. Councilor Saager seconded the motion which passed unanimously.

BID AWARD Ornamental Lighting around City Hall and the new Library. Electric Superintendent Mike Charlo reported to council stating this bid would purchase 13 ornamental lights to go around three sides of the property. Originally, there were to be four yard-type lights, not the kind that we supply, but those that are on a square-metal pole. At one of the library meetings, Library Director Bob Jones suggested how nice it would be to have ornamental lights all the way around the property like Pendleton and Dayton. Mr. Charlo said that after discussing the idea with City Manager Delphine Palmer, that if the Foundation would pay half the cost, the City would pay the other half. The Foundation agreed and proposals were sent out for sealed bids. Mr. Charlo stated this project would be a chance to dress-up this piece of property and recommended the bid award to Columbia Electric Supply for the total amount of \$28,314.00.

Councilor Kelley asked if Mr. Charlo had a picture to show the council. Mr. Charlo presented the picture he had and explained it was an octagon post with one banner arm and they would be dark green.

Councilor Lyon asked if the lights would shine on the ground, the building, or just shine. Mr. Charlo said they would shine in a circular area around the light. Mr. Charlo further said these lights were not meant to light up intersections or sidewalks, but that they were merely ornamental lighting.

City Manager Delphine Palmer stated the lights had the appearance of old-fashioned street lights.

Councilor Saager said he liked the idea and that if we were going to do anything, we needed to do it now.

Councilor Saager motioned to award the ornamental light bid to Columbia Electric Supply for the total amount of \$28,314.00. Councilor Kelley seconded the motion which passed unanimously.

#### MANAGER'S REPORT

City Manager Delphine Palmer said she had received an email from Dante Braga of the Union Bank of Taiwan saying that an American had died there and had an account worth \$36 million with no next-of-kin. Further, the email said that if Ms. Palmer would forge her name along with her bank account numbers and personal information, that she would receive 30% of the \$36 million. The email finished by explaining that the check would be flown over and delivered personally. Ms. Palmer turned all the

information and email over to our Police Department.

To squelch rumors, City Manager Delphine Palmer said that the rumor was the City was going to tear down the old library building as soon as the new library opened.

This is not nor has it ever been the intent of the City.

#### COUNCIL ANNOUNCEMENTS

Councilor Saager asked Public Works Superintendent Howard Moss about the fading paint on North Main designating parking areas. Councilor Saager further said that the parking paint lines were so faint, it was difficult to determine visually where they were. Mr. Moss said he didn't have a budget for it last year, but that it will be done this year.

Councilor Herb Saager then read a letter he wrote regarding the transient room tax. The following is the body of the letter:

"Yes, I voted for the hotel-motel tax that did not pass. I dislike taxes as much as you do.

and business."

There being no further business the meeting was adjourned at 7:25 p.m.

Lewis S. Key, Mayor